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## Department of State

INCOMING  
TELEGRAMPAGE 01 BUENOS 02469 01 OF 02 211627Z  
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INFO OCT-81 ADS-00 SAS-02 CIAE-00 DODE-00 PM-05 H-01  
 INR-10 L-03 MSAE-00 PA-01 SP-02 SS-15 ACDA-12  
 10-14 EB-08 HRC-02 OES-09 DOE-17 CEO-01 MA-05  
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D R 211514Z MAR 88  
 FM AMEMBASSY BUENOS AIRES  
 TO SECSTATE WASHDC NIACR IMMEDIATE 4743  
 INFO AMEMBASSY ASUNCION  
 AMEMBASSY BRASILIA  
 AMEMBASSY LA PAZ  
 AMEMBASSY LIMA  
 AMEMBASSY MONTEVIDEO  
 AMEMBASSY SANTIAGO  
 USCINCSO QUARRY HTS

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DEPT. PLS. INCLUDE AMB. GERALD C. SMITH IN DISTRIBUTION

E.O. 12865: GDS 3/20/86 (FRIEDMAN, TOWNSEND, B) OR-P  
 TAGS: DTRA AR US SHUM PEPR EAGR PARM  
 SUBJ: (C) US-ARGENTINE RELATIONS: A ROCKY ROAD

1. C - ENTIRE TEXT.

2. INTRODUCTION AND SUMMARY: AMBASSADOR SMITH'S MISSION WILL BE SEEN BY ARGENTINES AS ONE MORE IMPORTANT EVENT IN WHAT IS VIEWED HERE AS A US "COURTSHIP". LONG OFFENDED BY WHAT THEY THOUGHT WAS OUR REFUSAL TO TAKE THEM SERIOUSLY AS ANYTHING BUT VIOLATORS OF HUMAN RIGHTS, THE ARGENTINES HAVE READ THE SERIES OF HIGH LEVEL AMERICAN VISITORS THAT BEGAN WITH GENERAL GOODPASTER AS A SIGN THAT TIMES HAVE CHANGED. THE GOVERNMENT, WHICH NO LONGER FEELS ITSELF UNDER GLOBAL SIEGE AS A HUMAN RIGHTS PARIAH, HAS FACED THE PROSPECT OF BETTER ARGENTINE-US RELATIONS WITH A COMBINATION OF HOPE AND RISING SELF-CONFIDENCE.

3. HOPES ASIDE, THE DOMINANT THEME IN OUR BILATERAL RELATIONS IS UNCERTAINTY. THIS QUALITY OF CONTINGENCY IS ROOTED IN TWO FACTORS. ON THE ONE HAND, THE ARGENTINE GOVERNMENT HAS NURTURED EASILY FRACTURED EXPECTATIONS OF A POSSIBLE ENTENTE WITH THE UNITED STATES. ON THE OTHER HAND, BOTH ARGENTINA AND THE UNITED STATES QUESTION THE DEGREE TO WHICH THE REAL INTENTIONS AND THE INTERESTS OF THE OTHER NATION ARE COMPATIBLE WITH ITS OWN. END INTRODUCTION AND SUMMARY.

4. ARGENTINE ADVOCACY OF THE POSSIBLE DAWNING OF A NEW AND PRODUCTIVE ERA IN US-ARGENTINE RELATIONS IS CAPTURED IN THEIR WARM REFERENCES TO "THE SPIRIT OF GOODPASTER". THE GOVERNMENT HAS INFLUENCED THE PRESS TO PLAY ON THIS THEME, PARTICULARLY THE POSSIBILITY THAT THE VISIT OF AMBASSADOR SMITH WILL CARRY THE TWO NATIONS FORWARD TO COOPERATIVE RATHER THAN CONFRONTATIONAL RELATIONS. IN SOME QUARTERS, THESE HOPES HAVE BECOME SO UHREALISTIC AS TO CAUSE SERIOUS SPECULATION (WHICH THE AMBASSADOR SOUGHT TO DISARM AT A PRESS CONFERENCE DURING THE HODGES VISIT) THAT THE HUMPHREY-KENNEDY AMENDMENT MAY SOON BE REPEALED. EVEN THE VERY REAL RESENTMENTS THAT AROSE HERE IN THE WAKE OF THE DIFFERENCES BETWEEN THE ARGENTINE AND US DELEGATIONS TO THE GENEVA UHHRD MEETING HAVE BEEN RELUCTANTLY BUT FIRMLY MUTED IN DEERENCE TO THIS OPTIMISTIC HOOD.

5. THE GOA HAS VERY SOUND REASONS FOR WANTING TO CONVEY

THE IMPRESSION OF AN UPWARD TREND IN ITS RELATIONS WITH THE UNITED STATES. THIS GOVERNMENT IS DOMINATED BY MEN -- THE RULING MILITARY GROUP, MARTINEZ DE HOZ -- WHO WOULD SINCERELY PREFER A COOPERATIVE RELATIONSHIP WITH THE UNITED STATES. IDEOLOGICALLY, THEY ARE COMMITTED TO THE "WEST" AND STILL EXPECT THE UNITED STATES TO BE THE LEADER OF THE CAMP THEY HAVE CHOSEN. COARSER POLITICAL JUDGMENTS ALSO PLAY A ROLE. THE GOA CLEARLY GAINS IF IT APPEARS BEFORE ITS PUBLIC AS AN EQUAL PARTNER IN THE CONSTRUCTION OF A NEW RELATIONSHIP WITH THE UNITED STATES. MOREOVER, THE GOA'S HAWKING OF THE "SPIRIT OF GOODPASTER" HELPS DEFLECT CRITICISM THAT MIGHT ARISE FROM FUNDAMENTALIST ANTI-COMMUNISTS WHO LOOK ASKANCE AT THE GOA'S BUDDING RELATIONSHIP WITH THE SOVIET UNION.

6. ATMOSPHERICS ARE FINE. BUT ON HARD ISSUES OF SUBSTANCE THERE ARE SERIOUS DIFFERENCES BETWEEN THE TWO GOVERNMENTS:

A. NUCLEAR MATTERS: THE ARGENTINES ARE CONVINCED THAT WE ARE PURPOSEFULLY SEEKING TO OBSTRUCT THEIR NUCLEAR DEVELOPMENT. THE UNITED STATES IS CONCERNED ABOUT THE ARGENTINE DECISION TO AVOID TREATY AND OTHER COMMITMENTS WHICH WOULD FIRMLY SET THE GOA POLICY AGAINST THE ACQUISITION OF NUCLEAR WEAPONS.

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 10-14 EB-88 HRC-82 OES-89 DOE-17 CEO-01 HA-85  
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B. HUMAN RIGHTS: THOUGH STUNG BY WHAT TOOK PLACE IN GENEVA BETWEEN THE AMERICAN AND ARGENTINE DELEGATIONS TO THE UNHRC, THE GOA BELIEVES THAT THE USG, IN ITS EFFORTS TO COURT ARGENTINA, IS IN RETREAT FROM ITS HUMAN RIGHTS CONCERN. IT EXPECTS THAT WE WILL INCREASINGLY ACCOMMODATE TO THE PAST RECORD HERE AND RAISE FEW QUESTIONS ABOUT CURRENT SHORTCOMINGS. IT MAY LOOK FORWARD TO THE TIMELY LIFTING OF THE HUMPHREY-KENNEDY AMENDMENT. FOR OUR PART, THE HUMAN RIGHTS RECORD IS MUCH IMPROVED AND WE ARE AWARE OF NO DISAPPEARANCES IN THE PAST SEVERAL MONTHS. HOWEVER, THE AMBASSADOR RECENTLY RAISED WITH JUNTA MEMBER GENERAL GALTIERI THE CURRENT STATUS OF A HALF DOZEN YOUNG PEOPLE WHO HAD BEEN HELD CLANDESTINELY SINCE LAST AUGUST. ELEVEN DAYS HAVE PASSED WITHOUT A REPLY TO HIS INQUIRY AND CIRCUMSTANTIAL EVIDENCE LEADS US TO SUSPECT THAT THE SECURITY SERVICES MAY HAVE EXECUTED THESE DETAINEES. THE OPTION PROGRAM IS NOT GOING WELL AND PRISON POPULATION IS ONLY FALLING SLOWLY.

C. THE GRAIN EMBARGO: THE GOA HAS PUBLICLY REFUSED TO PARTICIPATE IN THE GRAIN EMBARGO WHILE PRIVATELY PROMISING US THAT IT WILL LIMIT SHIPMENTS TO THE SOVIETS. TO SOME EXTENT, THIS ISSUE WITH THE US HAS BECOME MOOT DUE TO A DROUGHT WHICH HAS LIMITED THE GRAIN ARGENTINA WILL HAVE AVAILABLE FOR EXPORT. NEVERTHELESS, EXPORTS THIS YEAR WILL SUBSTANTIALLY EXCEED THOSE IN THE RECENT PAST, CREATING A PUBLIC IMPRESSION--IN THE US AS WELL AS IN ARGENTINA--THAT THE GOA DID NOT COOPERATE BUT INSTEAD OPTED FOR THE SOVIETS.

D. US LEADERSHIP AND THE SOVIET CONNECTION: THE GOA AVERS THAT ~~①~~ HAS DOUBTS ABOUT THE CONSISTENCY AND PURPOSE OF THE US IN MEETING THE "WORLD COMMUNIST CHALLENGE". IT MAY BE UNBECOMING FOR A GOVERNMENT WHICH LONG QUESTIONED THE USG'S ALLEGED FAILURE TO LEAD THE WEST TO LOOK THE OTHER WAY WHEN WE OFFER LEADERSHIP, BUT THE ARGENTINES ARE NOT DETERRED. THEY SAY THAT BEFORE JOINING US THEY MUST BE CONVINCED THAT WE WILL NOT SUDDENLY "LURCH TOWARDS DETERTE". FROM OUR PERSPECTIVE--FOR ALL THE GOA'S VAUNTED ANTI-COMMUNIST WORDS--ITS ACTS IN DEALING WITH MOSCOW TELL A DIFFERENT, TROUBLING STORY. THE ARGENTINES REFUSED TO PARTICIPATE PUBLICLY AND STRINGENTLY IN THE GRAIN EMBARGO. THEY HAVE KEPT THEIR OPTIONS OPEN ON OLYMPIC PARTICIPATION. THEY OFTEN VOTE WITH THE SOVIET UNION IN INTERNATIONAL FORA ON SOME IMPORTANT ISSUES. THEY ARE DEVELOPING THEIR NUCLEAR COOPERATION WITH MOSCOW. THEY ARE DISCUSSING THE POSSIBILITY OF FISHERIES AGREEMENT WITH THE SOVIETS. THEY BELIEVE THEY HAVE THE SOVIETS IN THEIR CORNER IN THEIR DISPUTE WITH CHILE OVER THE BEAGLE CHANNEL.

E. THE TRADE DEFICIT: THE TRADE BALANCE BETWEEN

ARGENTINA AND THE UNITED STATES IS PERSISTENTLY OUT OF BALANCE IN OUR FAVOR--US\$1,889.9 MILLION 1979 EXPORTS TO ARGENTINA COMPARED TO US\$635.6 MILLION 1979 IMPORTS FROM ARGENTINA. THE GOA ECONOMIC TEAM UNDERSTANDS AND ACCEPTS THAT THIS SITUATION IS LOGICAL AND EVEN NECESSARY. HOWEVER, THEY ARE UNDER POLITICAL PRESSURE FROM LESS SOPHISTICATED ELEMENTS TO "RIGHT THE BALANCE", OR TO APPEAR TO BE TAKING STEPS IN THAT DIRECTION. FOR OUR PART, WE ARE ANXIOUS TO GAIN LUCRATIVE PARTICIPATION IN MAJOR ARGENTINE PROJECTS--WHICH IN THE EVENT COULD ONLY TILT THE BALANCE FURTHER IN OUR DIRECTION.

7. IN SUM, ARGENTINE-US RELATIONS ARE PRESENTLY PROCEEDING ON TWO TRACKS. THE ATMOSPHERE IS WARM, BUT THERE ARE MAJOR DIFFERENCES ON MATTERS OF SUBSTANCE. THE ARGENTINES HAVE PLAYED A MAJOR ROLE IN PRODUCING THE HAPPY ATMOSPHERICS. THEY WOULD PREFER TO ALLOW THE HAPPY MOOD TO CONTINUE, EVEN IF THEY ARE PREPARED TO BLAME US FOR ITS BREAKDOWN. FOR THE UNITED STATES, WE LOSE NOTHING IN ACCEPTING THIS TWO-TIERED APPROACH--SO LONG AS WE MAKE SURE THAT THE GOA UNDERSTANDS THAT WE WILL NOT SACRIFICE OUR INTERESTS AND OUR CONCERN SIMPLY TO KEEP A DIAPHANOUS SPIRIT OF FRIENDSHIP ALIVE.

CASTRO

SUMMARY

EXCERPTS

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